



Department of Justice

United States Attorney David E. Nahmias
Northern District of Georgia

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CONTACT: Patrick Crosby

(404)581-6016

FAX (404)581-6160

FORMER INVESTMENT ADVISOR SENTENCED TO PRISON FOR DEFRAUDING FULTON COUNTY SHERIFF'S DEPARTMENT

Atlanta, GA - BYRON RAINNER, 35, of Fort Lauderdale, Florida, a former investment advisor with MetLife Financial Services, was sentenced today by United States District Judge Willis B. Hunt on a charge of wire fraud. RAINNER's fraud included making false representations to the Fulton County, Georgia Sheriff's Department in 2003, as part of a scheme to induce the Sheriff's Department to invest substantial sums with RAINNER. This scheme resulted in a loss of over \$2 million.

United States Attorney David E. Nahmias said of the case, "This investment fraud scheme robbed Fulton County and its citizens of more than two million dollars. Rainer's greed warrants a substantial jail sentence, which was imposed today."

RAINNER was sentenced to 2 years, 6 months in prison to be followed by 3 years of supervised release. RAINNER was also ordered to pay restitution of \$2.36 million and ordered to perform 100 hours of community service. RAINNER pleaded guilty to the charge on February 9, 2006.

According to United States Attorney Nahmias and the information presented in court: The funds RAINNER obtained by means of fraudulent representations came from the Fulton County Sheriff's Department's so-called "surplus account." These funds were excess proceeds from foreclosure sales administered by the Sheriff's Department, conducted as part of the County's procedure for collecting delinquent property taxes. The Sheriff's Department held these surplus funds as trustee, on behalf of the property owners and other beneficiaries. In 2002 and 2003, RAINNER sought to manage the investment of these and other monies held by the Sheriff's Department, potentially totalling \$20 million, purportedly on behalf of MetLife. The Sheriff's Department agreed to invest some of the surplus funds, generating a check in March 2003 to MetLife in the amount of \$2,036,134.

RAINNER did not invest those funds with MetLife as he had originally indicated. Instead, RAINNER fraudulently diverted those funds to an unrelated entity – Provident Capital Investments, a Florida corporation formed in 2002 – because he expected

significantly greater personal compensation from Provident than from his employer, MetLife. RAINNER had an undisclosed financial arrangement with Provident.

In furtherance of his scheme, RAINNER also lied to the Sheriff's Department by claiming that Provident was a "carrier" of MetLife. RAINNER fraudulently directed another person to add Provident's name to a list of MetLife "carriers" found on an internal MetLife web page, and to fax that falsified document to the Sheriff's Department. RAINNER also falsely stated that MetLife itself recommended that the Sheriff's Department invest its \$2 million with Provident. In fact, Provident was not affiliated with or supported by MetLife. Nor did MetLife officials endorse or approve any investment with Provident. RAINNER's lies induced the Sheriff's Department to void its \$2,036,134 check to MetLife and issue one in the same amount to Provident.

RAINNER further lied about the safety and security of the Provident investment. In April 2003, RAINNER caused an account statement to be mailed to the Sheriff's Department, which falsely stated that the funds were invested in a "US Bond Fund." In fact, Provident had not invested the monies in U.S. bonds, a "fund" containing government bonds, or any similar securities. To the contrary, as RAINNER knew, Provident had invested the funds in a series of unsecured loans to small, startup, and otherwise unproven companies. This misrepresentation not only misstated the safety of the investments, but also falsely suggested that the investments complied with Georgia law. RAINNER knew Georgia law prohibited the Sheriff's Department from investing in these sort of speculative, high-risk loans. Provident's speculative, high-risk loans ultimately failed and the Sheriff Department's \$2,036,134 investment fraudulently induced by RAINNER was lost in its entirety.

This case was investigated by Special Agents of the Federal Bureau of Investigation.

Assistant United States Attorney Justin S. Anand and former Assistant United States Attorney R. Joseph Burby IV prosecuted the case.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan.